How CN and GTW are making piggyback profitable

April 28, 1980

RAILWAY AGE

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Perishables by rail: Hitting the comeback trail

RAILWAY AGE

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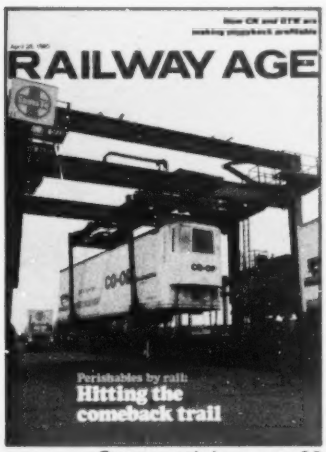
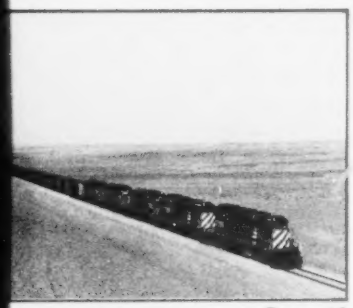
FEATURES



Cover article, page 22

Page 34



Page 40

COMMODITIES BY RAIL

Perishables

22 Hitting the comeback trail
One year after the ICC deregulated the haulage of most fresh fruits and vegetables, railroads are beginning to win back some of the traffic lost to trucks. Santa Fe has been particularly successful, using temperature-control piggyback units that are customer-owned and custom-designed for the service.

32 Intermodal: How CN moves ahead by reining in
"Selectivity" is the key word in the railroad's approach. CN tries to put its trailers and containers where the profits (and the back-hauls) are. CN also wants to be sure any new business comes from trucks—not its own boxcars.

34 GTW wrings profits from a "too short" corridor
An investment of $7.6 million in TOFC/COFC facilities has helped produce solidly profitable traffic between Chicago and Detroit, although the line-haul is considerably less than 500 miles. Loadings grew 465% in five years.

40 The coal dilemma: Railroad needs vs user demands
ICC Chairman Darius W. Gaskins, Jr., has a sympathetic ear for coal consumers who are complaining about freight rates—but, he warns, "neither coal nor any other traffic" can long move over railroads deprived of the revenues they need to survive.

NEWS

4 Short and Significant
10 BN, Frisco win the ICC's blessing
10 BN denies role in Milwaukee fall
12 Electrification: Who will pay?
14 Nonrail income boosts '79 net
14 Conrail defends m/w cutbacks
60 The Railroad Market
62 Amtrak: Candor on the NE Corridor

COMMENT

3 Inside
12 Watching Washington
18 Lines on Labor

DEPARTMENTS

48 People in the News
48 Suppliers
51 Industrial Traffic
56 100 Years Ago
58 Letters
60 Carloadings
66 Products Report
68 New Literature
64 Classified Advertising
67 Professional Cards
67 Guide to Advertising

COVER: Trailers specially insulated for carrying produce are unloaded from a Santa Fe piggyback train at Corwith yard, Chicago. Photo by Santa Fe's Chief Photographer Orville Brent, Jr.

Market

CARLOADINGS

Loadings of revenue freight in the week ended Apr. 5 totaled 418,646 cars, according to the Association of American Railroads. This was a decrease of 47,410 cars, or 10.2%, compared with the corresponding week last year. Ton-miles generated by carloadings in the week ended Apr. 5 are estimated at 16.5 billion, a decrease of 4.9% below the corresponding week of 1979. The 1980 week included the Good Friday holiday which fell later in 1979.

REVENUE FREIGHT CARLOADINGS

Commodity	Apr. 5 week	Mar. 29 week
Grain	26,169	27,691
Farm products	3,101	3,554
Metallic ores	25,112	27,380
Coal	104,264	112,920
Crushed stone, gravel & sand	12,904	13,410
Nonmetallic minerals	13,497	14,600
Grain mill products	15,008	17,364
Food and kindred products	16,846	19,613
Primary forest products	18,051	19,293
Lumber & wood products (except furniture)	8,465	9,628
Pulp, paper & allied products	20,753	22,914
Chemicals & allied products	27,538	30,341
Petroleum products	5,702	5,953
Stone, clay & glass products	15,093	15,931
Coke	5,993	6,758
Metals & products	18,463	20,083
Motor vehicles & equipment	15,997	19,743
Waste & scrap materials	12,502	14,212
Forwarder & shipping assn. traffic	11,362	12,821
All other carloads	41,629	46,284
LCL traffic	197	222
Total cars loaded	**418,646**	**460,715**
Cumulative total 14 weeks	**1980 6,158,440**	**1979 5,986,635**
Estimated revenue ton-miles (billions) 14 weeks	**16.5**	**17.3**

PIGGYBACK LOADINGS

U.S. piggyback loadings for the week ended Mar. 29 totaled 35,505 cars (10.5% below the corresponding 1979 week) and 64,939 trailers or containers (down 9.1% from 1979). Cumulative volume for the first 13 weeks of 1980 is 438,529 (down 2.0% from 1979) and 795,170 trailers or containers, virtually the same as 1979.

CANADIAN CARLOADINGS

Canadian railway revenue freight loaded in the seven-day period ended Mar. 21 totaled 4.8 million tons (down 1.2% from 1979). Cars loaded totaled 73,017 (down 0.8% from 1979). Cumulative loadings for 1980 were up to 53.5 million tons (up 7.1% from 1979).

● *Argentine Railways.*—Is seeking international bids on the supply of freight car trucks, boxcar bodies, rails, elastic fasteners, and miscellaneous machinery valued at $126 million. These purchases, which are being made abroad in accordance with World Bank loan conditions, are part of a $2.5-billion railway modernization program that Argentina expects to complete within the next three years.

● *Metro-Dade County (Florida).*—Awarded a $27.8-million contract to WABCO's Union Switch & Signal Division for the design, manufacture, and installation of signaling equipment on a 20.5-mile rapid transit line now under construction.

● *PLM, Inc.*—Has acquired U.S. Railcar Cleaning, Inc., of Sioux City, Iowa, which now becomes PLM Railcar Cleaning Co. with Richard P. Loevinger remaining as president. PLM's new subsidiary is equipped to clean 1,600 tank cars and covered hoppers a year.

● *Freight cars and locomotives.*—The following report has been received from the AAR and the ARCI:

DELIVERED

	February 1980	February 1979	January 1980	Two months 1980	Two months 1979
Built new by carbuilders	7,440	6,619	7,365	14,805	12,286
Built new in RR shops	560	411	470	1,030	792
Built new—total	8,000	7,030	7,835	15,835	13,078
Rebuilt	0	5	65	65	7
TOTAL DELIVERED	**8,000**	**7,035**	**7,900**	**15,900**	**13,085**
Locomotives (new and rebuilt)	124	125	169	293	259

ORDERED

To be built new by carbuilders	3,776	14,506	6,310	10,086	29,242
To be built new in RR shops	0	0	700	700	500
To be built new—total	3,776	14,506	7,010	10,786	29,742
To be rebuilt	0	0*	65	65	0
TOTAL ORDERED	**3,776**	**14,506**	**7,075**	**10,851**	**29,742**

ON ORDER AND UNDELIVERED

	March 1 1980	March 1 1979	Feb. 1 1980	Average Backlog 1980	Average Backlog 1979
To be built new by carbuilders	104,045	107,030	109,776	106,911	102,709
To be built new in RR shops	6,122	6,019	6,682	6,402	6,225
To be built new—total	110,167	113,049	116,458	113,31	108,934
To be rebuilt	170	80	170	170	82
TOTAL ON ORDER	**110,337***	**113,129**	**116,628**	**113,483**	**109,016**
Locomotives (new and rebuilt)	1,291	1,297	1,287	1,289	1,301

*Due to revisions and cancellations, the backlog has been reduced by 2,067 cars. Cumulative figures for orders have also been adjusted.